MINUTES

REGULAR MEETING AUDIT COMMITTEE April 24, 2013

Committee Members Present: Council Members Diane Hofstede, Barbara Johnson and Betsy Hodges; Minneapolis Park & Recreation Board Representative Mark Oyaas; Citizen Members Stephanie Woodruff (Quorum 4)

Committee Members Absent: Citizen Member Darrell Ellsworth

Chair Hofstede called the meeting to order at 9:35 a.m. in Room 317 City Hall, a quorum being present.

Hofstede introduced the Committee Members and welcomed staff.

- 1. Adopt Agenda.
- 2. Accept Minutes of the Regular Meeting of March 27, 2013.

It was requested that the Internal Auditor forward contact information for former staff member Jacob Claeys to the Audit Committee Members so as to thank him for his service to the City.

Hofstede moved to adopt the agenda and to accept the minutes. Adopted upon a voice vote. Absent – Ellsworth.

Unfinished Business

Application Security Review.
Update on the report referred to Ways & Means on March 27, 2013.

The matter will be scheduled for the next Committee meeting.

Report of Internal Auditor

4. Management Action Plans: First Quarter 2013 Update.

Internal Auditor Magdy Mossaad reviewed the status of the Management Action plans with the Committee. To date, 48 recommendations are complete and 18 are on track for completion.

5. 2014 Audit Plan:

Report as directed from the March 27, 2013 meeting.

Mr. Mossaad reported on staffing for the Department and his work with regard to contracting with consulting firms and starting the recruitment process for an Senior Internal Auditor.

The Committee discussed the timetable for reporting on the plan related to the 2014 budget. The Internal Auditor believed at the next meeting staff would be able to provide to the Committee cost estimates related to the number of audits and goals to accomplish the proposed audits.

It was Woodruff's preference to delay the 2014 Audit Plan in order to investigate co-sourcing opportunities for staffing but to continue work on the 2013 plan.

Johnson spoke in support of reviewing whether cost savings could be achieved in 2014.

Oyaas believed that in-house staff were important to build relationships within City Hall, and stated his preference for a plan that provides for more than one auditor and an outside contractor.

The Chair believed the Committee was in consensus that staff would work on a parallel course to review options for the Audit Department to prepare for next year's budget. The Committee would review and evaluate options at next month's meeting.

Announcements

A workshop/study session is being planned by the Internal Auditor, the City Coordinator, the City Clerk's Office, and KPMG.

With regard to a review of the Internal Auditor, Oyaas renewed his comments that were raised at the last meeting regarding the lack of progress in developing a review process for Mr. Mossaad. It was his opinion that the Audit Committee should be directly involved in the review process.

Adjournment

The meeting was adjourned at 9:55 a.m.

Submitted by: Jackie Hanson Council Committee Coordinator/City Clerk's Office